

Senate File 320 - Introduced

SENATE FILE 320

BY CHELGREN

A BILL FOR

1 An Act requiring notice of topsoil removal in real estate
2 disclosure statements and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 558A.4, subsection 1, Code 2017, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *Ob.* The disclosure statement shall indicate
4 whether topsoil has been removed from any part of the property
5 during the last twenty years, as provided in rules which shall
6 be adopted by the real estate commission pursuant to section
7 543B.9. However, information relating to topsoil removal shall
8 not be required in a disclosure statement for the transfer of
9 agricultural land as defined in section 6A.21. For purposes of
10 this paragraph, "topsoil" means the natural medium located at
11 the land surface with favorable characteristics for the growth
12 of vegetation.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 Pursuant to current Code chapter 558A, a person interested
17 in transferring real property must deliver a written disclosure
18 statement to a person interested in being transferred the real
19 property. Current law requires the disclosure statement to
20 include information relating to the condition and important
21 characteristics of the property.

22 This bill requires that the disclosure statement also
23 indicate whether topsoil, as defined in the bill, has been
24 removed from the property in the last 20 years. The bill
25 exempts disclosure statements prepared for the transfer of
26 agricultural land from the requirement.

27 Pursuant to Code section 558A.6, a transferor of real
28 property who violates the disclosure statement requirements
29 shall be liable for the amount of actual damages suffered by
30 the transferee, unless the transferor had no actual knowledge
31 of the inaccuracy or exercised ordinary care in obtaining
32 the information. In addition, Code section 714.8 provides
33 that a contract seller who intentionally provides inaccurate
34 information on a disclosure statement is guilty of a fraudulent
35 practice.